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0258-76

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

Executive Registry
76-838/A

18 FEB 1976

The Honorable William E. Simon
The Secretary of the Treasury
Washington, D. C. 20220

Dear Bill:

I appreciate your thoughtful letter of 4 February, stressing the need for high-quality intelligence support for foreign economic policy. I agree wholeheartedly with your observations on the desirability of a strong economic ingredient in our national estimates and, based on my first impressions here, I believe that we are in a pretty good position to provide it.

With respect to the Eastern European study you propose, we share your concern about the implications of current economic trends and would add a further one: do any of these countries face, over the next several years, economic difficulties so acute as to bring political stability into question? You will be pleased to know that planning is already under way on a study focused on the economic outlook for East Europe in the light of strong adverse trends in the region's terms of trade. Because of its wide-ranging political ramifications, the study is being undertaken initially as an ad hoc team effort, under the joint aegis of the NIO/USSR and the NIO/Economics, with talent drawn from OER, OPR, State/INR and the academic community. We would like to involve your people as well in this project. Whether we should move to a full-scale National Estimate is a question we will want to review at a later stage.

In the initial stages we will want to do considerable data collection and analysis, on which to ground the study, and we look to you for help in this endeavor. We are preparing detailed requirements on individual countries' trade, payments and indebtedness to send to our embassies in East Europe and to those of the major trading partners and lenders in West Europe. I believe that the Treasury attaches can be as helpful as the economic counsellors in providing Washington with the relevant facts, and I hope for their cooperation. It

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might be useful if, when these requirements are dispatched, you were to send a message to them bespeaking that cooperation.

I should be very glad of the chance to talk these matters over with you personally. Once the dust settles a bit out here, my staff will be in touch with yours to arrange a time.

Sincerely,

/s/ George Bush

George Bush

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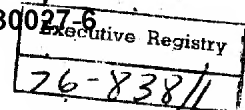
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OFFICE OF THE SECRETARY OF THE TREASURY
WASHINGTON, D.C. 20220

February 5, 1976

Dear Mr. Bush:

I am enclosing a letter from Bill Simon on a subject that has interested him for some time. The letter, incidentally, covers one of the general topics he discussed with the President during the recent Saturday afternoon session with Cabinet officials on the organization and management of the intelligence community.

I am delighted that your confirmation worked out as well as it did. I'm looking forward to working with you in your efforts to put all of the pieces back together again--albeit in a somewhat different form. I do not underestimate the immensity of your task but I am confident that for the Agency and the intelligence community 1976 will end better than it began.

If you wish I would be happy to work with your staff in arranging a time for you and Bill to get together.

All the best for the future.

Sincerely,

William N. Morell, Jr.
Treasury Representative on the
United States Intelligence Board

The Honorable
George Bush
Director
Central Intelligence Agency
Washington, D. C. 20505

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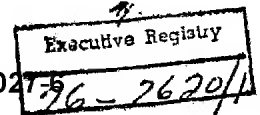
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THE SECRETARY OF THE TREASURY

WASHINGTON 20220



GB/ae

April 2, 1976

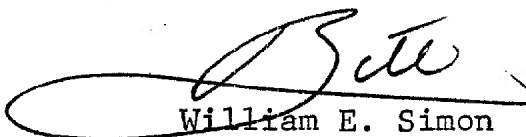
Dear George:

In response to your note of March 31 regarding the decision of the Committee on Foreign Intelligence (CFI) to include appropriate elements of Treasury within the National Foreign Intelligence Program (NFIP) I would like to nominate Bill Morell as our representative to discuss these activities with [redacted]

[redacted] We have a number of questions as to what is involved in the CFI's control of budget preparations and resource allocation and will want to convey to Admiral Murphy those considerations which will govern our views on Treasury activities which should be included within the NFIP.

Looking forward to my visit with you at the Agency on April 16.

Sincerely,


William E. Simon

The Honorable George Bush
Chairman, Committee on
Foreign Intelligence
Washington, D. C. 20505

EXECUTIVE SECRETARIAT
 Routing Slip

EA/DCI

TO:		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI				
3	S/MC				
4	DDS&T				
5	DDI		(w/ basic)		
6	DDA				
7	DDO				
8	D/DCI/IC				
9	D/DCI/NIO		(w/ basic)		
10	GC				
11	LC				
12	IG				
13	Compt				
14	D/Pers				
15	D/S				
16	DTR				
17	Asst/DCI				
18	AO/DCI				
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SUSPENSE		Date			

Remarks:

DCI has seen.

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